

Timothy Montileone, et al.

-vs-

AAMCO Transmissions, Inc., et al.

Complaint

EXHIBIT 14

CENTERLINE National AAMCO Dealers Association

Fall 2011 - Bethesda, Maryland

Franchise Issues Update

WE FIRST BEGAN to notice a shift in the approach by AAMCO at its convention this past January. New programs, procedures and initiatives were being presented and discussed in Las Vegas; it was clear that AAMCO intended to implement many of them in the near future. Then came the QUEST meetings, where AAMCO announced specific initiatives and programs and began a rollout of some of them, even undertaking to train dealers and their employees. And finally, at the 2011 annual meeting of the National AAMCO Dealers Association in Naples, FL, it became apparent that some of these initiatives and programs were being rolled out without, in our view, adequate testing and without consultation with NADA. This series of events caused great concern for NADA's leadership (Executive Committee and Board of Directors) because historically, AAMCO has largely adhered to the mutually beneficial practice of consulting and working with and through NADA to vet new programs and initiatives before announcing them to the chain. The rationale for this was simple: involve AAMCO dealers in the early stages of program development to better avoid practical problems with the programs that are implemented.

Because we saw this shift as endangering the cooperation we worked hard at rebuilding since Todd Left resigned as President and CEO of AAMCO, NADA's leadership immediately initiated a series of talks with AAMCO's senior management after our convention was over, all aimed at restoring the practice of consulting with NADA. We have always maintained—and time has proven us correct repeatedly—that any program or initiative of AAMCO will have a greater likelihood of success if it is vetted before it is rolled out with those who actually put these programs in practice—the AAMCO dealers—through the dealer body representative, NADA. Some of the recent initiatives were lacking adequate dealer input and were in need of either major adjustments or fine tuning. NADA's leadership requested an executive level meeting with AAMCO's senior management days after the end of the annual meeting. After almost two months of exchanging emails and other correspondence, a meeting took place in Horsham, PA on August 3, 2011 between AAMCO senior management and NADA's Executive Committee.

Among the important issues we dealt with at the August 3, 2011 meeting was the growing absence of consulting and working with NADA on important issues affecting the system and changes to procedures. In a follow-up communication, we asked AAMCO's senior management to confirm "that AAMCO agrees to consult with NADA on all material issues affecting AAMCO, particularly those affecting AAMCO's policies and procedures." In addition, we wanted AAMCO to confirm that it will "consult with NADA on any investigation or action by regulatory agencies to the extent permitted by law and the advice of counsel." NADA committed to improved communication, asking AAMCO to reciprocate, in a timely and meaningful manner.

We also requested that, together, we "establish a process by which dealers can have access to the Buxton data for the purpose of obtaining cannibalization and predictive sales reports." We expect AAMCO to validate that "the current committees involved in Beta testing will remain in place and continue to provide input with the purpose of refining the system." In regard to the newly announced Rewards Program, we had several objections, and we expect AAMCO to send its representatives in a joint committee to negotiate mutually agreeable adjustments to the program. The Brand Standards and the 6-Point Platinum Program are both flawed by lack of testing, as made clear in the conference call discussions with AAMCO and a committee of AAMCO dealers. In our executive meeting, AAMCO's senior management confirmed that American Driveline Centers will be used not only

to take over certain troubled centers, but that it will also "establish, open and operate corporate stores in markets where the local dealers have invited AAMCO to expand and in markets where AAMCO on its own has determined it should be expanded." NADA views this as a material change in the system, particularly for dealers in the system who entered it knowing that there were only independent dealers and not corporate stores. We believe that AAMCO has an unfair advantage over existing dealers when it comes to selling centers, thereby depressing center equity for existing dealers. AAMCO's unwillingness to share with existing dealers the Buxton data that it employs when selecting a site for expansion enhances AAMCO's unfair advantage. NADA will monitor AAMCO's expansion plans closely. We requested that AAMCO work with NADA on this issue rather than independently pursue expansion through corporate stores.

At our meeting, we were reassured to hear senior management confirming that AAMCO's business model remains mainly transmissions, that AAMCO is fully committed to growing our share of it, while Total Car Care is a complementary part of our business system. We conveyed to the senior management that dealers continue to complain about AAMCO's audit practices and procedures, and accounting errors. Furthermore, we informed AAMCO that it is often reported to us that dealers are being pushed around by audit department personnel, ostensibly in an effort to intimidate the dealer and secure a quick settlement. We asked AAMCO to agree to work with NADA to develop and publicize the audit process and procedures. In a communication dated August 12, 2011 from Marc Graham, we welcomed the renewed willingness to acknowledge NADA as the representative of the dealer body and a commitment to better communicating and cooperating working with us, the franchisees.

In the following pages of this newsletter, you will find an executive summary of all the issues we have engaged AAMCO on since the NADA annual convention, AAMCO's position on each, NADA's position on each and its status. We hope that you will find the summary useful and informative. As always, please call the association's office with comments or email us at keanna@aamcodealers.com.

Flash News

After much consideration, NADA's Executive Committee recommended that Mike Ganjei and Elliott Adler, Esq. meet with AAMCO's senior management to review the open issues and to arrange for a substantive meeting between management and the full Executive Committee for October 11, 2011 to hopefully reach a resolution on all pending issues. To that end, Mike and Elliott met with AAMCO at the Corporate Offices on September 13, 2011 for a half day, informed management of NADA's position on the open matters and narrowed the distance between both sides on many of them. The open issues that were the subject of this meeting included: Brand Standards as applicable to new centers and mainly new signage for open centers, the resale of a center and the renewal of a license agreement; ADLC takeover, operating and resale of failing or failed centers and potentially opening and operating brand new centers; aspects of Buxton in expanding the chain and the dealers' access to Buxton's analysis; the audit process and procedures used by AAMCO in the field and back office audits and accounting practices; and the Beta testing and implementation issues remaining before the POS System is rolled out.



Matters under Discussion with AAMCO

~ Executive Summary (continued) ~

AAMCO BUSINESS MODEL

completed

AAMCO's Position

- chain expansion and diversification even in this economic environment;
- transmission repair franchise to include Total Car Care;
- all transition costs to be covered by the dealer body.

NADA's Position

- until a few years ago, AAMCO would disenfranchise a dealer who dared to provide non-transmission services. Today the shift has been made for the chain to do more and more Total Car Care;
- yet again, the dealers are the only ones required to financially support the change;
- we fear that there is eroding support for the transmission business among AAMCO senior management level, since most of its new senior managers have Total Car Care background but no expertise in transmissions.

Current Status

- during the August 3, 2011 marathon executive meeting held at the Home Office, AAMCO's CEO, Marc Graham, clearly defined the AAMCO business model: we are in the transmission business with the total car care a complimentary part of our business system. AAMCO is fully committed to growing our share of it.

POINT OF SALE SYSTEM (POS)

BETA testing

AAMCO's Position

- thousands of dollars in set-up costs for the dealer;
- no financial contribution from AAMCO;
- real time access to sales data nationwide for the franchisor;
- data access control residing with AAMCO with capability of shutting down a dealer;
- same pricing for new and existing dealers, as well as for multiple shop owners;
- no guarantee/estimate on future price fluctuations.

NADA's Position

- no upfront costs for dealers;
- data access must reside both with the franchisor and with the dealer;
- equitable burden on existing and new dealers and fair pricing for multiple shop owners;
- cost predictability in future years;
- comprehensive and thorough testing before rolling out the program;
- cost sharing between AAMCO and the dealer body.

Current Status

- no upfront charges for entering the system. Instead, dealers will pay small monthly amounts, decreasing gradually through the first five years, after which they remain level;
- dealers will maintain control over their data, which will reside simultaneously at all times in the dealer's computer system, in the cloud and in the franchisor's network;
- a panel of NADA members (many of whom are Board members) will road test the new POS system over the next 6 weeks; the Beta testing will provide us all with a reliable analysis of the practicality and functionality of this system.

TELEPHONE AND SALES PROCEDURES

testing

AAMCO's Position

- new MPI forms designed with no dealer input;
- minimal testing with 4-5 self-selected dealers;
- telephone and sales procedures modified to reflect the shift toward Total Car Care.

NADA's Position

- new MPI color forms are costly;
- entire burden passed on to dealers;
- no meaningful testing, nor any notification to NADA;
- inadequately thought-through in terms of efficiency, regulatory compliance and ease of use;
- reflective of a major shift of the business model toward Total Car Care.

Current Status

- committee was set up to review and give input across the country;
- MPI forms were submitted for analysis to a representative number of experienced dealers, most members of the NADA board of directors. All dealers involved compared the forms against their local regulations, and significant changes were made;
- MPI forms now being tested by 30-40 dealers in their shops. Fine-tuning will follow at the end of the test period;
- the business model remains 75% transmissions, complemented by 25% Total Car Care.

6-POINT PLATINUM PROGRAM

pre-testing

AAMCO's Position

- AAMCO's internal 6-point rating system;
- dealers not meeting the minimum standard will be called into home office and terminated unless they agree to improve;
- rating program intended to incentivize better performance;
- ratings to be publicized in the media and advertised to consumer.

NADA's Position

- if a center does not meet the minimum operating requirements, it negatively reflects on the AAMCO brand and implicitly on every single one of us. However, this program:
- has not been tested;
- pits dealer vs. dealer based on an internal rating system that the public is ignorant of;
- is untimely scheduled: it can adversely affect any dealer currently struggling in recession-hit markets, greatly diminishing his/her chances for revival;
- were it to rate company-run shops, it would result in an unlevel playing field with multiple implications, from the monthly bottom line to the overall equity of an AAMCO center;
- program must be redesigned and be internal to our system only;
- there must be a clear definition for each level such as good standing with AAMCO.

Current Status

- program will be implemented internally only. Dealers will be allowed to display their rating certificates in the centers only;
- ratings will not be publicized in the media;
- NADA will be called in to mediate any contentious cases.

BUXTON

Pending

AAMCO's Position

- assist chain expansion;
- boost dealer performance by forecasting predictive sales;
- maximizing ROI of local marketing \$\$;
- once a store is open, AAMCO does not have to comply with the Market Development Program.

NADA's Position

- dealers need access to Buxton data and analysis: drive-time map, predictive sales reports, marketing data, site selection for new centers and cannibalization;
- corporate guidelines and notifications to be shared with the ad pools and centers in a market where a new center is open or an existing center is relocated;
- employ Buxton on all existing established zones to determine availability and suitability, and share the results with the chain.

Current Status

- program under one year test, ending in February 2012;
- it needs to be reviewed to see how it is used by ADLC in opening and operating its own centers;
- AAMCO agreed to sit with us in a NADA/AAMCO committee to design a process which provides satisfactory access to Buxton data for dealers, as well as a set of checks and balances against unfair use.
- this will be an agenda item at the next meeting with AAMCO management.